App. F. IX-4

1933-34 (S+A)

File No. 277—33

Serial Nos. 1

Previous References

S+A 258-28-(1-4)
" —— " —(5-6)
" - 209-33-(1-2)
" - 128-33-(1-2)

Later References

S+A 111-35 (9072)
S+A 178-33 (1-4)
S+A 104-45 (1-7)
S+A 186-46 (1-2)
S+A 28-48-1

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. One

Part B for May 1934

SUBJECT.

Revision of the Rules for the Grant of Compassionate gratuity.

H. 6909-89 dated 1/5/34

To The Comptroller
" Other Heads of Depts.
" Secretaries to Govt.
" D—s of Distts.
" Presidents of Distt Boards & Agency
" Compiler.

Passes Orders—

Serial No.

3841

Revision of the Compassionate Gratuity Rules.

In the Budget forecast file, I had noted as follows regarding the grant of Compassionate gratuity.

" The Scheme of Compassionate Gratuity was introduced with a view to give some benefits to the family of a man who dies while in harness or immediately after retirement, as the man loses all the benefits under the Pension Rules by such premature death. This was, no doubt, a laudable object but there was no reason why the Government should have undertaken the whole of the additional liability which this Scheme created. A portion at least, if not the whole, of the liability could have been transferred to the beneficiaries. In instituting the scheme of Government Life Insurance and giving Government servants the benefit therefrom the Government has not imposed any liability on itself and the entire burden is thrown on the beneficiaries themselves. Similarly, in the case of compassionate gratuity the entire body of Government servants are the beneficiaries and the additional liability on account of compassionate gratuity, should, properly speaking, be on them and not on the general tax-payer.

I find that new pensions sanctioned in a year amounts to about Rs 2 lakhs and the new Compassionate Gratuity sanctioned in a year about, Rs 20,000/- (average).

It is for consideration whether the present

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Serial No.

present rates of pension cannot be slightly reduced in consideration of the new liability imposed by the Compassionate Gratuity Scheme. If this principle is accepted, calculation xk will be made of the exact amount that has to be deducted under pension if no additional charge on the whole is to be borne by Government.

As compassionate gratuity is given as matter of course in all cases, though styled as a discretionary grant, it is for consideration if the scale and the maximum could not be reduced somewhat; e.g., three-fourths p month's pay instead of one month's pay for each year of qualifying service and the maximum being reduced from Rs 10,000 to Rs 7,500/-

In Travancore, the compassionate gratuity is calculated at one month's pay for each year of service but the maximum monthly pay for calculating the gratuity is Rs 400/- (as against Rs 1,000/- in Mysore) and the maximum amount of compassionate gratuity is Rs 3,000/- "

2. The Council Resolution thereon was as follows:-

"Regarding the Scheme of Compassionate gratuity, it was considered that the present maximum of Rs 10,000/- be retained and the question of calculating the gratuity at the rate of $\frac{3}{4}$ths month's pay for each year of service instead of one month's pay, be separately considered".

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3. I am accordingly submitting a further note in regard to this matter.

4. At present, the payment of compassionat gratuity is regulated by the following rules:-

(1) For qualifying service of five years and over, compassionate gratuity will be calculated at the rate of one month's pay for each year of approved service, based on that on 1st July of each year.

(2) The maximum qualifying service for which compassionate gratuity will be payable will be limited to 30 years.

(3) The maximum monthly pay for calculation of compassionate gratuity will be Rs 1,000/-

(4) The maximum amount of compassionate gratuity payable will in no case exceed Rs 100

(5) In the case of a deceased pensioner, the excess of compassionate gratuity admissib at the time of retirement, if any, over the pension drawn will be paid to the family of tl deceased pensioner.

5. The grant of compassionate gratuity is entirely within the discretion of Governme who reserve to themselves full liberty to modify the rules at any time.

The scheme of compassionate gratuity on the lines introduced in Mysore is not in force anywhere in British India. Even in Travancore where the scheme was introduced recently, perhaps following our rules, though compassionate gratuity is required to be calculated at the rate of one month's pay for

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Serial No.

for each year of service as in Mysore, the maximum monthly pay is fixed at Rs 400/- and the ~~xmax~~ maximum amount of compassionate gratuity at Rs 3,000/-

The expenditure under the head "compassionate gratuity" should be kept as low as possible, as this does not represent payment to an officer (whether in service or retirement) but a charitable grant to his family to whom under the rules Government owe no kind of obligation. It was therefore suggested that the calculation of the ~~gravity~~ gratuity might be made at ¾ths month's pay for each year of service instead of one month's pay and that the maximum amount might be reduced from Rs 10,000/- to Rs 7,500/-

6. Further, under the present rules, there are certain anamolies in regard to the amount of compassionate gratuity payable to the families of officers who die after the age of 55. Assuming that the service, pay and age at the time of death are the same, the amount of compassionate gratuity payable to the family of an officer who got extension of service for some years -- say, 2 years -- and thereafter died (at the age of 57) will be very much more than the amount payable in the case of an officer who was retired at the age of 55 and who died at the age of 57 after drawing pension for two years. In the latter case, the amount of pension drawn is deducted from the amount of compassionate gratuity payable at the time of retirement, while in the former case there is no such deduction and on the other hand, the

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Serial No.

the service after 55 is also added to the qualifying service for calculating the amount of gratuity.

The longer the service of an officer under Government, the larger is the provision for the family which he may be expected to have made from his pay and the less the need to supplement it by compassionate gratuity. When two persons of the same pay and service die on the same date, there should not be any difference in the amount of compassionate gratuity merely on the ground that one officer was retired at the age of 55 and another was granted extension of service. I think that service after the ordinary age of superannuation should not be taken into account for the calculation of the compassionate gratuity and that the distinction between the above two classes of cases should be removed.

The maximum qualifying service is 30 years and the amount of compassionate gratuity for 30 years calculated at one month's pay (based on the pay drawn on 1st July of each year) for each year of service will work up to about 20 months' pay at the time of retirement, or about 40 months' pension. If gratuity is calculated at $\frac{3}{4}$ths month's pay for each year of service as now proposed, the amount of compassionate gratuity will work up to 15 months pay at the time of retirement or about 30 months pension. No compassionate gratuity will therefore be ordinarily admissible in the case of officers who die after drawing pension for

WD 2165—GPB—500—27-5-32

Revision of the Compassionate gratuity Rules.

General & Revenue Secretariat. | File No. 3241 of 193 .b)

Serial No.

DEWAN'S OFFICE
5 APR. 1934
No. 6293

for for about 40 months under the present rules and for about 30 months under the proposed rules In the same way, as compassionate gratuity gets ~~[illegible]~~ reduced, the longer the officer lives and draws pension, there should, I think, be similar reduction in the case of officers who are granted extensions of service after the age of 55.

8. In conclusion, the following are my suggestions, for reducing the expenditure on account of compassionate gratuity:-

(1) Compassionate gratuity may be calculate at three-fourths month's pay for each year of service instead of one month's pay.

(2) Service after the age of 55 will not qualify for compassionate gratuity.

(3) In the case of persons who have put in active service after the age of 55, the amount of compassionate gratuity payable will be reduced by one-fiftieth (or one-sixtieth) thereof for each complete month of active service after 55.

9. Whether the present maximum limit of Rs 10,000 cannot be reduced to Rs 7,500/- or Rs 8,000/- is also for orders.

Dewan)

4/4/34.

4/4/34

May be considered at a Council meetg.

5/4

Sealed with a circular cachet for signature

NOTE—Contn. Sheet.

WD 2165—GPB—500—27-5-32

7

(For Disposal at a Meeting)

No. C. 261

1934

GENERAL AND REVENUE SECRETARIAT.

Council Matter.

Subject

(clause xii of the schedule)

Proposals of the Financial Secretary regarding revision of rules for the grant of compassionate gratuity.

Circulated to the Members of Council.

By Order,

Chief Secretary to Government.

7th April 1934.

7949 7/4 **First Member of Council.** 7/4/34

6553 9/4 **Second Member of Council.** 9/4

C.S.

Extract from the Proceedings of the 914th *Meeting of the Council of His Highness the Maharaja, held at Bangalore on the* 10th April 1934. *19*

32. Subject. - Clause xiii of the Schedule.

Proposals of the Financial Secretary regarding revision of the rules for the grant of Compassionate Gratuity.

OPINION OF THE COUNCIL.

The rules in force at present may remain unchanged except in the following respects:-

(i) Compassionate Gratuity will be calculated at three-fourths of an officer's pay for each year of service.

(ii) Service after 55 years of age will not count towards compassionate gratuity.

Sd/- MIRZA M. ISMAIL,
DEWAN OF MYSORE.

Financial Secretary to Govt.,
with compliments.

RG
11/4/34

"EXTRACT"

11.4.34.

R. Rangaiah

Chief Secretary to Government.

WD 1471—GPB—2,000—1-3-21

3841/FE

General and Revenue Secretariat | File No. | of 193 . | [App. F. III—2

Serial No.

Subd with a D.S.N.

WW 12/4

FE Secy) 12/4/34

12/4

Dy Secy

Secy)

12/4/34

12/4

15/4

WD 0434—GPB—15,000—12-10-33

Record of Cases submitted for the Orders of His Highness the Maharaja.

C. Secy
21-4-34

Subject.

Revision of the Rules for the grant of Compassionate Gratuity.

No.534

Order.

~~KRW~~
19/4/34

Pr
19/4.

Submitted to His Highness.

One of the several points considered at the Council meeting on 27th February 1934 in the file relating to the Rough Forecast of the Revised Estimates of the current year (1933-34) and of the Budget for next year (1934-35) and referred to in my Submission Note dated 2nd March 1934 was the question of calculating compassionate gratuity at the rate of 3/4 of a month's pay for each year of service.

At present the payment of Compassionate Gratuity is regulated by the following rules:-

1. For a qualifying service of 5 years and over, compassionate gratuity will be calculated at the rate of one month's pay for every year of approved service, based on the pay drawn on 1st July of every year.
2. The maximum qualifying service for which compassionate gratuity will be payable will be limited to 30 years.
3. The maximum monthly pay for calculation of compassionate gratuity will be Rs 1,000/-.
4. The maximum amount of compassionate gratuity payable will in no case exceed Rs 10,000/-.
5. In the case of a deceased pensioner the excess of compassionate gratuity admissible at the time of retirement, if any, over the pension drawn will be paid to the family of the deceased officer.
6. The grant of compassionate gratuity is entirely within the discretion of Government who reserve to themselves full liberty to modify the rules at any time.

As per Council Resolution this question was further examined and the Financial Secretary has suggested

the following changes in the existing rules:-

1. That the compassionate gratuity may be calculated at 3/4 of a month's pay for each year of service instead of one month's pay:
2. That service after the age of 55 will not qualify for compassionate gratuity: and
3. That in the case of persons who have put in active service after the age of 55, the amount of compassionate gratuity payable will be reduced by one-fiftieth (or one sixtieth) thereof for each complete month of active service after 55.

The matter was considered at the Council meeting held on 10th April 1934 and it was resolved that the rules in force at present may remain unchanged except in the following respects:-

1. Compassionate gratuity will be calculated at three-fourths of an officer's monthly pay for each year of service.
2. Service after 55 years of age will not count towards compassionate gratuity.

I solicit His Highness's gracious approval to the above revision.

Mirza M. Ismail

DEWAN.

Mysore,
15th April 1934.)

261

Revision of the Rules for the grant of Compassionate gratuity.

(*)

31. All urgent or confidential files returned with His Highness' orders may in the absence of instructions or indications to the contrary, be ordinarily circulated to the Members of Council for perusal after the issue of orders.

33. The Secretaries concerned should see that orders in the cases referred to above are issued at once and that the files are returned immediately after to the Chief Secretary for circulation to the Members.

34. In all other cases, the files will first be circulated to the Members of Council at Head-quarters and then sent to the Secretariat concerned for the issue of orders.

Circulated to Members of Council for perusal of His Highness' orders before/after issue of orders.* (*Vide Rules* 31, 33 and 34 of the Subsidiary Rules for the conduct of business of Council in the Manual of Council Rules and Procedure.)

R. P. Parker

Chief Secretary to Government.

Through the Secretary to Government,

Finl Department.

8354 24/4

FIRST MEMBER OF COUNCIL. by 24/4

6876 27/4

SECOND MEMBER OF COUNCIL.

for 23/4 Financial Secretary, with Compliments.

RR 27/4.

NOTE.—Contn. sheet.

Serial No.

Subject- may the draft put up is one.
It is for orders whether gratuity on cases of death occurring ~~from~~ the date of this Highness approval has to be calculated at the new rates or whether the cases received - except those already under report - subsequent to the date of approval have to be dealt with according to the new rule.

If the new rule is applied to all cases that come up for sanction hereafter it might be just possible when death of two persons occur on one and the same date for the family of one to get the benefit of the old rate and of another the reduced rate due to none of their fault.

MM 28/4

The order ~~may take side apply~~ may be made applicable to cases of death occurring subsequent to the date of orders of this Highness.

IW 28/4

H Secy) 28/4/34.

TYPING SECTION 30 APR. 1934 GENL. & REV. SECTT.

28/4

Issue 30/4/34.

IW 30/4

H 6909-89 of 1/5/1934

B IW 2/5

NOTE—Contn. Sheet.

WD 01536—GPB—7,500—5-4-34

G.R.S. App. F VI—G 2]

SUBJECT .....

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Diary No. of letter replied to .....

Section STA.

File No. 277-33

Serial No. 1

General and Revenue Secretariat

( )

the *193* .

Proceedings of the Government of His Highness the Maharaja of Mysore.

Date of issue 2/8/ 193 4.

Signed by .....

Read— GO NO H 7418-17/STA 252-28-4 dt 1/3 Apl. 1929 sanctioning a provisional scheme for the grant of cg. to the families of deceased officers subject to certain conditions-

GO. NO H. 2283-343/STA 252-28-6 dt 25-9-29 directing that the scheme may be given effect to from 31 Jan 1929.

May this be—

(i) printed ?

(ii) treated as a standing order ?

(iii) published in the Gazette, English Part ?

(iv) translated ?

(v) placed at the disposal of the press ?

(vi) published in the Gazette, Kannada Part ?

Order thereon.—No. H. dt 1/9-8-29

Govt direct that the following modifications in the conditions of grant of Compassionate gratuity be adopted in future:—

(i) that cg. will be calculated at three fourths months pay of an officer for each year of approved service; and

(ii) that service rendered after 55 years of age

in the case of persons whose death

2 This order will take effect ~~from~~ [illegible] after 19th April* 1934.

(* Subject to approval the date of orders of HM's approval is inserted)

28/4

Place

Press Table -

List of Enclosure.

Copied by

Examined by

W. D 73—GBPM—20,000—10-8-31.

Government of his highness the Maharaja of Mysore.

FINANCIAL DEPARTMENT.

G. O. No. Fl. 6909-89—S. & A. 277-33-1, dated 1st May 1934.

Compassionate Gratuity.

Modification in the condition of grant of ——.

READ—

Government Order No. Fl. 7418-77—S. & A. 252-28-4, dated 1st—3rd April 1929, sanctioning a provisional scheme for the grant of Compassionate Gratuity to the families of deceased officers subject to certain conditions.

Government Order No. Fl. 2283-343—S. & A. 252-28-6, dated 25th September 1929, directing that the scheme may be given effect to from 31st January 1929.

ORDER NO. FL. 6909-89—S. & A. 277-33-1, DATED BANGALORE, THE 1ST MAY 1934.

Government direct that the following modifications in the conditions of grant of Compassionate Gratuity be adopted:—

(i) that Compassionate Gratuity will be calculated at three-fourths month's pay of an officer for each year of approved service; and

(ii) that service rendered after 55 years of age be not taken into account for purposes of calculation.

2. This Order will take effect in the case of persons whose death takes place after 19th April 1934.

M. Shamanna

for Secretary to Government,
Financial Department.

To—The Comptroller to Government.
The other Heads of Departments.
The Secretaries to Government.
The Deputy Commissioners of Districts.
The Presidents of District Boards and Municipalities.
The Compiler, *Mysore Gazette.*
PRESS TABLE.

Exd.—C. K.

WD 1975—GPB—725—4-5-34.